

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Mail Processing Network Rationalization
Service Changes, 2012

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Docket No. N2012-1

NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES TO USPS
WITNESS KEVIN RACHEL
(NPMHU-USPS – T8 1-12)

Pursuant to Rules 25 through 28 of the Commission's Rules of Practice and Procedure, the National Postal Mail Handlers Union ("NPMHU") hereby submits the following interrogatories to USPS witness Kevin Rachel. If the witness is unable to respond to any interrogatory, please redirect the interrogatory to a more appropriate USPS witness.

Instructions and Definitions

"USPS" or "Postal Service" means the United States Postal Service, its employees, agents, witnesses, and all other persons who act under the direction of the United States Postal Service, including but not limited to consultants and other independent contractors.

"Mail Processing Network Rationalization Service Changes, 2012" (MPNR) or means the proposed restructuring of the USPS's mail distribution and transportation

network presented to the PRC in its December 5, 2010 “Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services.”

“MNPR Network” means the mail distribution and transportation network required to implement the USPS’ MNPR and that, inter alia, accommodates the USPS’s elimination of 252 mail processing facilities.

“Documents” has the meaning as ascribed within the federal Rules of Civil Procedure and includes any documents or things that constitute or contain matters that are relevant to the subject matter of this proceeding and that are in the custody or control of the USPS.

“Losing facility” is defined and used herein in the same manner as it is defined and used in Section 1-1.2 of the PO-408 handbook.

“Gaining facility” is defined and used herein in the same manner as it is defined and used in Section 1-1.2 of the PO-408 handbook. The term document has the same meaning as ascribed within the federal Rules of Civil Procedure.

The term “person” means any natural person, corporation, partnership, proprietorship, association, organization or group of natural individuals.

The term “identify,” when used with regard to a person means to provide the full name, position, address and telephone number of the person.

The term “identify,” when used with regard to a document means to describe the subject matter of the document, its author, its date and any addressee.

Interrogatories

NPMHU/USPS – T8-1 Please explain how the FTE reductions anticipated, as expressed in the Postal Service's Institutional Response to the Public Representatives First Interrogatory, PR/USPS-T8-1 relate to: (a) the staffing requirements for each facility, as identified in the ongoing AMP process; and (b) the cost savings as estimated by witness Bradley in Table 16 of his testimony.

NPMHU//USPS – T8-2 In the Postal Service's Institutional Response to the Public Representatives First Interrogatory, PR/USPS-T8-1, the Postal Service states that "FTEs in this context do not equate to the number of staff to be 'eliminated.'" Please confirm that FTE workhour reductions of this magnitude will require an analogous number of staff eliminations; if not confirmed, please explain how the savings will be achieved.

NPMHU//USPS – T8-3 Has the Postal Service estimated the projected labor savings from normal attrition rates, absent implementation of the MPNR? If so, please provide those estimates.

NPMHU//USPS – T8-4 Has the Postal Service subtracted the anticipated labor savings from normal attrition from the projected labor savings associated with the MPNR? If so, please identify where these savings are accounted for, by specific reference to testimony or library reference.

NPMHU//USPS – T8-5 Is the Postal Service planning a reduction in force of any craft employees, or does the Postal Service's projected savings from the MPNR

presuppose a reduction in force of any craft employees? If so, how large a reduction is projected, breaking the numbers down by craft?

NPMHU//USPS – T8-6 Has the Postal Service calculated the cost and possible savings from implementing a voluntary retirement program or retirement incentive program? If so, please provide those calculations.

NPMHU//USPS – T8-7 Is the Postal Service considering offering a voluntary retirement program or retirement incentive program as part of MPNR, or does the projected cost savings presuppose attrition achieved through either such program?

(a) If the answer to the NPMHU/RACHEL-7 is no, has this been considered as an option?

NPMHU//USPS – T8-8 What were the Postal Service's costs and projected labor savings, broken down by craft, associated with any retirement incentive programs or early retirement programs offered since 2006?

NPMHU//USPS – T8-9 On page 17 of your testimony, you state that "[t]ypically, there are few, if any, remaining unplaced employees" where consolidations occur in metropolitan locations with gaining facilities in the commuting area.

(a) Please confirm that, as a result, in cases where consolidations occur in metropolitan locations with gaining facilities in the commuting area, there will be little labor cost savings, as employees will be transferred to gaining facilities.

(b) If (a) is not confirmed, please explain how the labor cost savings arise, if “there are few, if any, remaining unplaced employees.”

NPMHU//USPS – T8-10 On page 18 of your testimony, you state that “at impact sites without multiple mail processing locations within the commuting area. . . a greater reliance on accelerating normal attrition will be necessary in order to more timely capture staffing reduction savings.”

(a) Please explain what the Postal Service has done to plan for “accelerating normal attrition” in such circumstances, including by identifying the locations where you anticipate that this greater reliance on accelerating normal attrition will be necessary.

(b) Please confirm that the Postal Service’s projected costs savings as presented to the Commission presuppose that this acceleration of normal attrition will be achieved. If not confirmed, please explain why this is not accurate.

NPMHU//USPS – T8-11 Has the Postal Service made any projections of the costs that will be associated with reductions in force or relocations of employees affected by facility consolidations?

(a) If the answer to the above is yes, please identify how those were factored into the calculation of the \$2.1 billion in projected savings.

(b) Please provide calculations of the costs that will be associated with reductions in force or relocations of employees affected by facility consolidations.

NPMHU//USPS – T8-12 Please explain the effects of the Postal Service's Sources Sought Notice Network Optimization, seeking interested suppliers to provide transportation management services, on Postal Service staffing under the MPNR, including in your answer the following:

- (a) If the Postal Service moves forward with engaging third parties suppliers to provide transportation management services, including loading and unloading vehicles at cross-dock distribution hubs, would that result in Postal staffing reductions beyond the FTE reductions currently anticipated by the Postal Service?
- (b) Does the Postal Service's anticipated FTE reductions under the MPNR including jobs performed by Postal employees that would potentially be performed by employees of suppliers providing transportation management services as sought in the Sought Notice Network Optimization?
- (c) How many cross-dock distribution hubs are contemplated by the Postal Service under the MPNR?
- (d) If the Postal Service operated the cross-dock distribution hubs using Postal employees, rather than contractors, under the MPNR, how many Postal jobs or FTEs would be required to staff these hubs?

Respectfully submitted,

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January 11, 2012